



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

**75 Hawthorne Street
San Francisco, CA 94105-3901**

February 19, 2008

Robert Smith
U.S. Army Corps of Engineers
San Francisco District
1455 Market Street
San Francisco, CA 94103

Subject: Final Environmental Impact Statement (FEIS) for the San Clemente Dam Seismic Safety Project, Monterey, California (CEQ #20080017)

Dear Mr. Smith:

The U.S. Environmental Protection Agency (EPA) has reviewed the above project pursuant to the National Environmental Policy Act, Council on Environmental Quality regulations (40 CFR Parts 1500-1508), and our NEPA review authority under Section 309 of the Clean Air Act. These comments were also prepared under the authority of, and in accordance with, the provisions of the Federal Guidelines promulgated at 40 CFR 230 under Section 404(b)(1) of the Clean Water Act (CWA). Our detailed comments are enclosed.

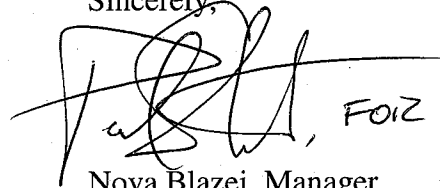
EPA provided detailed comments dated June 29, 2006, on the Draft Environmental Impact Statement (DEIS) for the project. We appreciate the response to our comments provided in the FEIS. The description of the CWA Section 404 permit process and the commitment to identify the Least Environmentally Damaging Practicable Alternative in the Record of Decision (ROD) address our related comments. We acknowledge the cost comparison for the proposed project and the three alternatives provided in Table 3.1-1 of the FEIS and have provided supplementary comments below. Finally, the additional descriptions of riverine and steelhead benefits resulting from dam removal are useful for comparing the effects of each project alternative and adequate to support dam removal.

Based on the information provided in the DEIS and the FEIS, EPA supports the two dam removal alternatives (Alternatives 2 and 3) over the Proponent's Proposed Project, Dam Thickening or Alternative 1, Dam Notching. We find the long-term benefits of San Clemente Dam removal to the Carmel River and the steelhead fishery to be substantial. However, the FEIS does not identify a preferred alternative. If the Dam Thickening or Dam Notching alternatives

are selected, EPA would continue to have concerns about the potential environmental impacts of these alternatives, as expressed in our comments on the DEIS.

Thank you for the opportunity to review this FEIS. Please send us a copy of the ROD when it is published to the address above (Mail Code: CED-2). If you have any questions, please contact me at 415-972-3846 or Paul Amato, the lead reviewer for this project. Paul can be reached at 415-972-3847 or amato.paul@epa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nova Blazej', with the letters 'FOI2' written to the right of the signature.

Nova Blazej, Manager
Environmental Review Office

cc:

Joyce Ambrosius, NOAA Fisheries, Santa Rosa
Robert Root, U.S. Fish and Wildlife Service, Ventura
Robert Florke, California Department of Fish and Game, Yountville
Serge Glushkoff, California Department of Fish and Game, Yountville
Steve Leonard, California American Water Company, Monterey
Dave Gutierrez, California Department of Water Resources, Sacramento
Trish Chapman, California Coastal Conservancy, Oakland

Preferred Alternative

The Final Environmental Impact Statement (FEIS) states that no "preferred alternative" has been designated by the lead agencies (p. 2-1). The lead agency must identify its preferred alternative from the range of alternatives evaluated in the Draft EIS (DEIS) by the time it prepares the FEIS [40 CFR 1502.14(e); Forty Questions No. 4(b)].

Recommendation

The Corps should identify the preferred alternative in the Record of Decision (ROD). EPA encourages selection of the environmentally preferable alternative, which must also be identified in the ROD. EPA recommends the selection of one of the dam removal alternatives because of long-term benefits to the Carmel River and steelhead fishery.

Cost Analysis

EPA recommended the FEIS include a short and long-term cost analysis of each of the project alternatives in the interest of disclosing information that would be helpful to inform decisions regarding economic costs and benefits of each alternative. Table 3.1-1 in the FEIS compares construction field costs, and operations and maintenance costs for the alternatives but the length of the operations and maintenance timeframe is unclear. Costs of operations and maintenance for each alternative will depend on the length of time that is considered. For example, operations and maintenance of Alternatives 2 and 3 will be relatively insignificant following dam removal, construction and monitoring when compared to several years of ongoing operations and maintenance of the Proponent's Proposed Alternative and Alternative 1, Dam Notching.

It is also worth noting that the cost analysis does not factor in the cost benefits of improving health of the Carmel River and the steelhead fishery that would result from dam removal. While we understand that it is difficult to put a monetary value on species recovery, EPA believes the cost analysis should reflect savings from not having to implement other measures to improve steelhead habitat and population (channel restoration, fish ladder maintenance). The cost analysis should also consider savings from reduced channel maintenance to address channel degradation associated with the presence and operation of the dam.

Based on the information provided, Alternative 3 would be the least expensive of the dam removal alternatives second only to the Proponents Proposed Project, Dam Thickening alternative for overall cost efficiency. EPA believes that actual project costs combined with the potential cost benefits associated with steelhead recovery and reduced maintenance could make the costs of the Proposed Project and the dam removal alternatives much closer.

EPA also requested a discussion of additional funding sources be included in the FEIS. We appreciate the mention of potential funding from the California Coastal Conservancy for Alternative 3.

Recommendations

The ROD should include a discussion of cost benefits from reduced maintenance and improved habitat and steelhead recovery associated with the dam removal alternatives.

Based on the cost comparison and the potential cost benefits to the Carmel River and the steelhead fishery associated with dam removal, EPA recommends the selection of one of the dam removal alternatives as the preferred alternative and environmentally preferable alternative in the ROD.

Alternatives Analysis

EPA recommended that the FEIS provide a detailed analysis of projected effects of dam removal on the river and steelhead population. We acknowledge the additional information provided in Volume 2, Chapter 4 of the FEIS and find it supportive of the dam removal alternatives.

EPA supports both dam removal alternatives but considers Alternative 2, Dam and Sediment Removal to potentially be the environmentally preferable alternative as it would both remove the dam and recreate the pre-dam channel alignments of the Carmel River and San Clemente Creek. However, we acknowledge the additional upland impacts of sediment disposal at the proposed R4 sediment disposal site. Consequently, EPA supports Alternative 2 over Alternative 3 if an alternative sediment disposal site could be found that would avoid impacts to environmental resources. We acknowledge the analysis of alternative sediment disposal sites in the DEIS.

Recommendation

EPA strongly recommends the Corps and California Water Company select an alternative that would remove the San Clemente Dam and restore the channel and passage for steelhead in the Carmel River and San Clemente Creek.